



North Carolina Department of Health and Human Services

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L. Allen Dobson, Jr. MD, Assistant Secretary for
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February 28, 2006

MEMORANDUM

TO: LME Directors

FROM: Allen Dobson, MD
Mike Moseley

Handwritten signatures of Allen Dobson, MD and Mike Moseley are present next to their names in the 'FROM' field. The signature of Allen Dobson, MD is written in dark ink and is more prominent. The signature of Mike Moseley is written in a lighter ink and is partially obscured by the other signature.

SUBJECT: Consumer Medicaid Notification Templates

The purpose of this memo is to provide guidance on informing Medicaid recipients about the impact of the March 20, 2006, service definition changes to their individual service plans. During this critical time of transition, recipients need to understand, on a personal level, the content of the service definitions and be assured that all reasonable actions are being taken to ensure continuity of services, based on medical necessity.

All recipients must be notified in writing of the termination of any Medicaid service. Typically, if a service is terminated for a recipient, that recipient has the right to appeal the termination. However, since the terminations identified in this letter are resulting due to changes in law, recipients cannot appeal the change in the law.

However, although a Medicaid recipient under the age of 21 cannot appeal the change in the law, these recipients are entitled under the provisions of Early Periodic Screening Diagnosis and Treatment (EPSDT) to Medicaid coverable services (coverable under the Federal Medicaid scheme, even if NC does not cover the service) which are medically necessary to correct or improve their condition or illness. So, for instance, as a general rule, North Carolina will no longer, pursuant to its North Carolina Medicaid State Plan, cover the provision of residential treatment and day treatment during the same authorization period for a child. However, if the provision of both services, concurrently, is medically necessary to correct or improve a child's condition – under EPSDT requirements, NC Medicaid will provide both services. (Value Options will perform the individualized reviews of these services to determine which recipients may need both services concurrently to correct or improve their conditions.) Similarly, any limitations in any of the service definitions do not apply to children when and if, based on an individualized review, it is medically

necessary for a child to receive services in excess of the limitations contained in the definitions in order to correct or improve their condition or illness.

In the coming weeks, you will be provided with more training and direction on the appeals process for all recipients and additional training on the requirements of EPSDT. However, the purpose of this letter is to walk you through what notices must be sent to which recipients regarding the upcoming changes in services. Transmitted with this letter are templates of different types of notices. The State has carefully reviewed the service terminations to determine the appropriate written notice that each category of recipients must receive. The notices have been tailored to the specific populations affected by specific changes to NC Medicaid coverable services. Below are step by step instructions for each notice type. Each notice has a title and, at the bottom left hand corner, an identifier. The title/identifier corresponds with the instructions given later in this correspondence.

In addition to meeting the legal notice requirements, it is extremely important that LMEs and state agencies work together to assure that the appropriate new services for each consumer are in place by March 20, 2006, which is the date the old services will end. Please assure that all of your staff and contractors, including case managers and providers, understand their joint responsibilities to assure that the appropriate new services are in place before current services end on March 19. Each LME should review each case not only to assure that the proper notice is sent, but to assure that the new services are in place by March 20. Take immediate corrective action if any cases are identified where the appropriate new services have not been requested by case managers and authorized by LMEs by March 20.

As LMEs and case managers work with families to design new plans to be effective March 20, it is very important to provide a due process denial notice with appeal rights for any service requested by the clinician which is not included in the new plan. These notices may be found at the following address: <http://www.dhhs.state.nc.us/mhddsas/consumeradvocacy/medicaidappealrts.htm>.

It is also important to provide the best possible support and assistance to recipients as they attempt to understand this transition and how it applies to them. The fact that after March 20, 2006 certain service labels will change and that there are certain services which may not be provided to a recipient at the same time makes the requirement to provide accurate information all the more important.

Your immediate task, in addition to beginning to authorize the appropriate new services, is to review all service plans and to determine which of the following notices must be provided. Several of the notices require a response from the consumer/legally responsible person. You must also be aware of any follow up action required on your part once the response is received.

It is critical to work collaboratively with provider agencies in supporting consumers/legally responsible individuals during this time of change. Your Customer Services office has a significant role in this process to support consumers/legally responsible persons. You are encouraged to ensure that adequate staff is available in your Customer Services offices to address the increased number of calls that are anticipated.

Below are the titles/identifying letters (and numbers) for the notices that you will send. We have worked very closely with the Office of the Attorney General on these notices and the format of each one must be followed exactly. Please format each notice below on your local management entity

letterhead. Each notice must also be dated. The date that appears on the notice must be the date the notice is actually mailed to the recipient. The deadlines given below are critical.

The following list provides information on specific notices:

- **Notice A1: NOTICE TO ADULTS RECEIVING ASSERTIVE COMMUNITY TREATMENT TEAM (ACTT) AND PSYCHOSOCIAL REHABILITATION (PSR)** This notice informs adult recipients who currently receive **BOTH** ACTT and PSR that under the new law they can only receive one or the other. They are being advised to make a choice and return their choice to you by March 16, 2006. Please insert your contact information as indicated on page two. **You must mail this form to them no later than March 6, 2006.**
- **Notice A2: NOTICE OF CHOICE OF ACTT OR PSR** This notice either 1) confirms in writing a recipient's choice of PSR or ACTT, or 2) informs the recipient that you did not hear from them as to their choice, and that until you hear from them, a choice has been made for them. (If you look at this notice you will see that it gives the LME a choice as to option 1 or option 2. Select which option is appropriate and delete the reference to the second one.) Remember, recipients may telephone you to inform you of their choice. If there is a need to change, during the transition period, you should freely make whatever change in choice is requested by the recipient or his/her responsible person. Mail this notice out once you've received notice from the recipient of his/her choice **or by March 18, 2006** if you never heard from the recipient or his/her responsible person.
- **Notice B: NOTICE FOR CHILDREN RECEIVING RESIDENTIAL/DAY TREATMENT** The purpose of this form is to advise the legally responsible person of a child receiving BOTH residential treatment and day treatment that, based on a change in law, unless BOTH services are medically necessary to correct or ameliorate their child's condition, their child may only receive one of these services during a given authorization period. Please note that if the legally responsible person requests that both services be continued while an individualized review is completed, that both services shall continue at the current authorized level until Value Options has completed its review. At a later date, we will be providing further guidance about what to do after Value Options completes its review. **This notice must be mailed by March 6, 2006.** This notice gives the legally responsible person three choices: 1) continue both services, 2) end day treatment 3) end residential treatment. This notice requests that the legally responsible person return the form indicating their choice. Once you receive the form, please review and authorize whichever choice is indicated – even if it means that both services continue under choice one. If choice one is chosen, Value Options will conduct a review. Please hold onto all of the forms – we will give you guidance on what to do with them. You should document your records carefully to show the choice received or that both services are being continued as a result of a request for an EPSDT review. Value Options will perform these reviews and as they complete them, we will provide you with additional guidance regarding notices and appeal rights for these recipients. **This notice must be mailed by March 6, 2006 so that you can receive their response by March 16, 2006.** Please be sure to insert the indicated contact information. In the event you have received not response by March 16, 2006, do not discontinue either service. Follow up by phone and encourage the responsible person to make a choice and return the form. Until you have received a signed form which chooses to end one or the other service, you must continue authorizing both services until further notice. Document this continuation is for “EPSDT review.”

- **Notice C1: NOTICE FOR CHILDREN WITH A MENTAL HEALTH/SUBSTANCE ABUSE (MH/SA) DIAGNOSIS RECEIVING COMMUNITY BASED SERVICES (CBS) AND/OR CASE MANAGEMENT** The purpose of this notice is to inform the legally responsible person for a child with a MHSA diagnosis currently receiving CBS and or case management of the change in their services. Specifically, this notice tells them that CBS ends and that case management will no longer be a separate service. This notice advises them that beginning March 20, they will receive Community Support. This notice also tells them they must choose a single service provider. You will need to work with the families to assist them. **This notice must be mailed by March 6, 2006 so that you can receive their response by March 16, 2006.** Please be sure to insert the indicated contact information.
- **Notice C2: NOTICE OF CHANGE TO COMMUNITY SUPPORT SERVICES (CHILDREN)**. This notice is a follow up to Notice C1 which advised of the right to choose a service provider. This form either 1) confirms in writing a recipient's choice of a service provider, or 2) informs the recipient that you did not hear from them as to their choice, and that until you hear from them, a choice has been made for them. (As with notice A2 this notice includes two options. Select the applicable one to send and delete the other option.) Remember that recipients may telephone you to inform you of their choice. If there is a need to change, during the transition period, you should freely make whatever change in choice is requested by the recipient or his/her responsible person. Mail this notice out once you've received notice from the recipient of his/her choice **or by March 18, 2006** if you never heard from the recipient. Please be sure to insert the indicated contact information and provider choice information. Note that this notice informs the legally responsible person that during the transition period, Community Support is being authorized at the same frequency as CBS and case management combined. It is therefore very important that the LME authorize the same total number of hours until an individualized medical necessity review occurs, even if the total hours exceeds the normal limit in the new service definition for Community Support. This instruction applies to both children in the community and those in residential treatment.
- **Notice D1: NOTICE FOR ADULTS WITH A MENTAL HEALTH/SUBSTANCE ABUSE (MH/SA) DIAGNOSIS RECEIVING COMMUNITY BASED SERVICES (CBS) AND/OR CASE MANAGEMENT** The purpose of this notice is to inform adults with a MHSA diagnosis who currently receive CBS and or case management of the change in their services. Specifically, this notice tells them that CBS ends and that case management will no longer be a separate service. This message advises them that beginning March 20, they will receive Community Support. This notice also tells them they must choose a single service provider. You will need to work with the families to assist them. **This notice must be mailed by March 6, 2006.** Please be sure to insert the indicated contact information. In most cases, we anticipate that these recipients will receive the same number of units of Community Support as they received from CBS and case management combined unless you have current information in the file that justifies a different number of units. Of course, if the recipient's doctor or licensed clinician has requested a number in excess of that included in the service plan, this is a "denial" and this recipient is entitled to receive a notice that explains why the request for a greater number of hours was denied. That written notice must also outline the recipient's appeal rights. Written notices which should be sent in this situation (and other similar situations) are located on the DMH website at: <http://www.dhhs.state.nc.us/mhddsas/consumeradvocacy/medicaidappealrts.htm> If you have questions about this process, please contact: _ Customer Service and Community

Rights Team, DMH/DD/SAS Advocacy and Customer Service Section (919) 715-3197. E-Mail address: DMH.Advocacy@ncmail.net.

- **Notice D2: NOTICE OF CHANGE TO COMMUNITY SUPPORT SERVICES (ADULTS).** This notice is a follow up to Notice D1 which advised of the right to choose a service provider. This form either 1) confirms in writing a recipient's choice of a service provider, or 2) informs the recipient that you did not hear from them as to their choice, and that until you hear from them, a choice has been made for them. (As with notice A2 this notice includes two options. Select the applicable one to send and delete the other option.) Remember that recipients may telephone you to inform you of their choice. If there is a need to change, during the transition period, you should freely make whatever change in choice is requested by the recipient or his/her responsible person. Mail this notice out once you've received notice from the recipient of his/her choice **or by March 18, 2006** if you never heard from the recipient. Please be sure to insert the indicated contact information and provider choice information.
- **Notice E: NOTICE FOR ADULTS WITH A MENTAL RETARDATION/ DEVELOPMENTAL DISABILITY (MR/DD) DIAGNOSIS RECEIVING COMMUNITY BASED SERVICES (CBS).** This notice informs adults with MR/DD that CBS ends March 19, 2006. **This notice must be mailed by March 6, 2006.** You should already be working with these recipients or their legally responsible person and their case managers to identify services available to them (e.g. CAP-MR/DD services, PCS, state funded Developmental Therapy). It is critical that a new plan of services be in place by March 20, 2006. Please insert the necessary contact information in this notice before sending.
- **Notice F1: NOTICE TO CHILDREN WITH MR/DD RECEIVING COMMUNITY BASED SERVICES (CBS).** The purpose of this notice is to inform the legally responsible person for a child receiving CBS with an MR/DD diagnosis (but who does not have an MH/SA diagnosis that will automatically transition them into Community Support) of the change in their child's services. Specifically, this notice tells them that CBS ends and that based on the diagnostic records, their child is not being automatically transitioned to Community Support. However, page three of this letter allows the legally responsible person to contest the transition decision if they believe either that 1) Community Support is medically necessary to correct or ameliorate their child's condition, or 2) if they contend our records incorrectly reflect that their child does NOT have an MH/SA diagnosis. So, if the legally responsible person returns page three of this notice to the LME, you must **TRANSITION THE CHILD TO Community Support effective March 20, 2006.** The child will receive Community Support while an individualized review is performed to determine if either number one or two are correct. Please hold onto all of the forms – we will give you guidance on what to do with them. You should document your records carefully to show the transition to Community Support is made as a result of a request for an EPSDT review. Value Options will perform these reviews and as they complete them, we will provide you with additional guidance regarding notices and rights for these recipients. **This notice must be mailed by March 6, 2006 so that you can receive their response by March 16, 2006.** Please be sure to insert the indicated contact information.
- **Notice G: NOTICE FOR COMMUNITY ALTERNATIVES PROGRAM FOR MENTALLY RETARDED/DEVELOPMENTALLY DISABLED (CAP-MR/DD) WAIVER PARTICIPANTS RECEIVING COMMUNITY BASED SERVICES (CBS).** The purpose of this notice is to inform CAP-MR/DD waiver participants (or their legally

responsible person) receiving CBS that CBS is ending but that waiver services will be added to their POC to meet needs arising as the result of the termination of CBS. **This notice must be mailed by March 6, 2006.** Please include the necessary contact information. Note: Based on the February 2, 2006 DMA and DMH/DD/SAS Memo, Enhanced Services Implementation #2, LMEs must be working in collaboration with consumers/legally responsible person and case management agencies to add more waiver services, as necessary, to meet the needs of the individual. . It is critical that new or additional CAP-MR/DD services be authorized to be effective March 20 to replace CBS which was provided outside of the school. For CBS which was provided in the school to CAP participants, Local Education Authorities are responsible for providing appropriate and necessary services from March 20, 2006 through the end of this school year to replace the loss of CBS.

As noted above it is vital that consumers are informed of their rights and that LMEs and state agencies provide ongoing support and assistance.

Should you have questions regarding the forms or processes noted above, please contact the Customer Service and Community Rights Team, DMH/DD/SAS Advocacy and Customer Service Section (919) 715-3197. E-Mail address: DMH.Advocacy@ncmail.net.

Attachments

cc:	Secretary Carmen Hooker Odom	William Lawrence, MD
	Allyn Guffey	Tara Larson
	Dan Stewart	Carol Robertson
	DMH/DD/SAS Executive Leadership Team	Angela Floyd
	DMH/DD/SAS Staff	Kaye Holder
	Rob Lamme	Wayne Williams
	Kory Goldsmith	Chair, State CFAC
	Chair, Commission for MH/DD/SAS	Chair, Coalition 2001